

PATENT
Attorney Docket No. 106.48

REMARKS

The present application is now being examined with respect to claims 21-38 and 52-60. Applicant herein cancels claims 67-80 in accordance with the election requirement set forth in the Final Office Action mailed April 27, 2006. Applicant reserves the right to later present these cancelled claims in an appropriately filed divisional application.

Applicant acknowledges that the previous rejections of the pending claims under 35 U.S.C. § 112 have been removed.

There are three prior art rejections remaining in the present application.

- a) Claims 21, 23, 24, 26-29, 34, 38, 53, 56 and 59 are rejected under 35 U.S.C. § 103(a) as unpatentable over Tsevdos et al. in view of eShop (IDS 12/28/2001, paper #13);
- b) Claims 25 and 30 are rejected under 35 U.S.C. § 103(a) as unpatentable over Tsevdos et al. in view of eShop (IDS 12/28/2001, paper #13), and further in view of Official Notice; and,
- c) Claims 22, 31-33, 35-37, 52, 54, 55, 57, 58 and 60 are rejected under 35 U.S.C. § 103(a) as unpatentable over Tsevdos et al. in view of eShop (IDS 12/28/2001, paper #13), and further in view of Internet Shopping Network (IDS 12/28/2001, paper #13).

Applicant has previously argued that each of these rejections must fail because, contrary to the Examiner's position, it would not have been obvious to modify Tsevdos to include the web browser capability because such a modification would have been contrary to intent of the Tsevdos system. In the current Final Office Action, applicant's arguments are not found persuasive because "Tsevdos would be motivated to increase revenue by incorporating the web browser process or any other networking process that should become available that better serves the customers (sic) needs." Applicant respectfully disagrees and submits that each of the three above-noted rejections must fail because the Examiner has failed to establish a *prima facie* case of obviousness. The alleged motivation to modify Tsevdos or combine it with other internet-based prior art is contrary to the carefully designed architecture of the Tsevdos system. In view of these contradictions, the prior art rejections cannot stand.

PATENT
Attorney Docket No. 106.48

It is well settled that a proposed modification would not be obvious unless the prior art suggested the desirability of the modification. *In re Laskowski*, 871 F.2d 115 (Fed. Cir. 1989)(“Although the Commissioner suggests that [the structure in the primary prior art reference] could readily be modified to form the [claimed] structure, ‘[t]he mere fact that the prior art could be so modified would not have made the modification obvious unless the prior art suggested the desirability of the modification.’”) There is no suggestion to combine if a reference teaches away from its combination with another source. Teaching away occurs when, upon reading the reference, the ordinary artisan would be led away from the path taken by the applicant. *Tec Air, Inc. v. Denso Manufacturing Michigan, Inc.*, 192 F.3d 1353 (Fed. Cir. 1999). See also, *In re Haruna*, 249 F.3d 1327 (Fed. Cir. 2001)(A prima facie case of obviousness can be rebutted when the applicant can show that the prior art teaches away from the claimed invention.)

As explained in Applicant’s prior response, the Tsevdos patent arose out of a joint venture between IBM and Blockbuster to allow consumers to visit a retail location where they could preview media products available for purchase and then manufacture the media product onsite in real time. (Previously submitted April 6, 2006 Declaration of Michael E. Dergosits Under Rule 1.132, Ex. C.) This context is important because IBM apparently had two major goals for such a system. The first was speed of data delivery from off site memory. This speed was required for the quality of the consumer’s previewing experience and for the real time manufacture of the CDs to fulfill the consumer’s order. The second major goal was to provide a secure network that would satisfy the artists’ concerns about accurate royalty payments from the transfer of intangible digital media files.

These goals and their implementation were explained in great detail in the Tsevdos specification. The objective was to provide the digital media file at the preview booth at the proper reproduction rate so that the consumer could not tell whether the file was being played back from a local source, such as a CD or videotape, or from a remote source. (Tsevdos, Col. 7, ll. 15-27.) The quality of this user experience was an important goal. Tsevdos taught to use a particular communications architecture in order to enable this important feature. (Tsevdos, Col. 7, l.28-Col. 8, l. 52.) In addition to specifying the communications links, Tsevdos called for multiple levels of data storage and local caching so that the content could be delivered for preview and for manufacture at the speeds required. (Col. 10, l. 38-Col. 12, l. 43.)

The objective of providing a secure private network environment arose from artists’ concern that they would not receive proper royalty accounting. Quoting from Tsevdos, “Both the

PATENT

Attorney Docket No. 106.48

retailer and the label companies are and have been specially interested in the ability to protect the myriad of proprietary rights which the artist, the labels and others have through copyright protection and/or licenses. The present inventive system provides for security mechanisms that require centralized database authorizations prior to the transmission of content and/or the manufacture of any of the products.” (Tsevdos, Col. 4, ll. 7-14.) Some of these techniques are described at Col. 14, ll. 30-46. The combination of security fears concerning widespread digital media transfer, coupled with artists’ and labels’ refusal to allow consumers to create their own CDs led to New Leaf’s rapid demise in 1995. (See Dergosits Decl., Ex. B, pp. 4-5.)

With all of the constraints imposed by these design directives for the New Leaf retail-level preview kiosk and the CD manufacturing location, it is indeed an oversimplification to suggest that Tsvedos could be modified to be available on the internet through the use of a web browser process. In fact, one of ordinary skill in the art, reading Tsevdos, would not think of deploying that system on the internet, or at least as the internet was configured in 1995-1996 because such a deployment would have introduced insurmountable data transmission and security issues for the system that Tsvedos designed.

Tsevdos teaches away from the claimed invention. Tsevdos teaches procedures and protocols that are inapt for 1995-1996 timeframe internet communications. In view of what Tsevdos taught as the architecture and implementation of its system, Tsevdos does not suggest the modifications that are necessary to arrive at the claimed invention. The proposed modification would not have been obvious because the prior art did not suggest, but actually taught away from the desirability of the modification. *In re Laskowski*, 871 F.2d 115 (Fed. Cir. 1989)

Furthermore, another published article regarding eShop teaches away from combining cShop with Tsevdos. A second eShop article (“eShop Names First Partners for Online Retailing Service,” Information & Interactive Services Report, 7/28/1995, copy enclosed, submitted in an IDS on October 23, 2001 at sheet 4 of 5, copy also enclosed), states that “bandwidth constraints still rule out video and limit audio use.” Accordingly, the skilled artisan would not have combined the teachings of Tsevdos with the first eShop Business Wire article, as asserted by the Examiner, because the skilled artisan would have known that the eShop technology would not allow preview of video recordings as required by the claims.

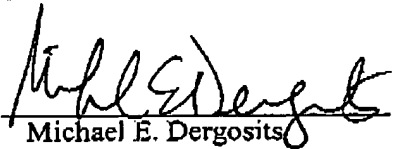
PATENT
Attorney Docket No. 106.48

Applicant respectfully requests that the prior art rejection be removed, and a notice of allowance be issued.

Respectfully submitted,
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